

# CITY OF COSTA MESA

Department of Public Services

## MEMORANDUM

**TO:** Marc Puckett, Finance Director  
**FROM:** William J. Morris, Public Services Director  
**DATE:** November 7, 2003  
**SUBJECT:** Vacation/Abandonment Application Fee

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### INFORMATION ITEM

In order to encourage the removal of excess right-of-way from the City's possession and add the property back to the tax rolls, staff suggests revisiting the fee structure for the application of public right-of-way vacation/abandonment. The goal is to determine a basis for compensation to the City for the vacation application process that does not hinder applicants from applying and is rational for the applicants and the City.

The proposed fee of \$1,370 is for the processing of an application to vacate/abandon excess right-of-way. The Public Services Department gets an average of 1 to 2 formal applications per year, besides the 4 to 5 informal "screening" requests for the vacation of public right-of-way. The current procedure for processing a formal vacation/abandonment application is as follows:

- Application is received and reviewed by Engineering Staff
- Application is reviewed and discussed with various departments/divisions including Transportation Services and Planning Division to determine feasibility and whether it can be approved, subject to conditions.
- Application is routed to all utility companies to determine whether public utilities are affected, if so, a public utility easement must be reserved.
- Upon clearance from utilities, application is forwarded to Planning Division to obtain a determination of consistency with the General Plan, pursuant to Government Code Section 65402.
- The application is taken to City Council with a Notice of Intention to Vacate Excess Right-of-Way and a Public Hearing is scheduled.
- Application is presented to City Council at Public Hearing, and approved or denied.
- Resolution and title documents are recorded.

The majority of staff time is spent up front in the screening process determining whether a vacation will be feasible. If staff determines that a proposed vacation is not feasible, the applicant usually drops the issue and the staff time is expended without compensation from the applicant. If staff determines that the

vacation is feasible, the above procedure is followed. This procedure is merely the processing of standard paperwork that staff has already streamlined.

As mentioned above, in order to encourage the removal of excess right-of-way from the City's possession and add the property back to the tax rolls, staff suggests Council consider reviewing the existing vacation application fee and the following alternatives to determine the appropriate user fee, if any, to be associated with this process. Staff recommends consideration of Alternative 2.

#### Alternatives Considered:

1. Waive fee entirely. Due to the infrequent nature of the application, recognize this application process as a no-fee service. However, if the application is in connection with a new subdivision, development project, or remodel of an existing development with major alterations, additions or improvements resulting in an increase of 50% or more of the existing square footage, the fee shall not be waived.

#### 2. Revise fee as follows:

\$150 initial processing fee required upon receipt of application, except as noted below. At that time the initial "screening" review is conducted to determine, if the City has the right to abandon the subject easement and whether or not the City has future needs for the easement. The City issues a report to the applicant that the application has been reviewed and staff will recommend denial or approval to the City Council, subject to various conditions (if any).

If the applicant wishes to pursue the abandonment, the process continues including notification of utilities, Planning Commission, Council approval, other conditions such as utility relocation or other improvements required for approval. Applicant is charged as follows:

Option 1: The applicant is billed monthly for time and materials (the County uses this method and the average total cost is approximately \$1000).

Option 2: The applicant is required to submit a flat processing fee of \$1000 to cover 8 hours staff processing time, with the provision that any additional processing time above and beyond the 8 hours processing time would be charged monthly on a time and materials basis.

Once the City approves the abandonment, staff withholds recording of the final abandonment until such time that all outstanding fees have been paid and conditions have been met.

**Note:** If the application is in connection with a new subdivision, development project, or remodel of an existing development with major

alterations, additions or improvements resulting in an increase of 50% or more of the existing square footage, the applicant will be charged the proposed flat processing fee of \$1,370, to be paid in advance of staff initiating the vacation procedure.

3. Leave fee intact at the proposed amount of \$1,370

For Alternatives 2 and 3, it is recommended that the Director of Public Services be given the authority to waive the application fee for a single family residence (SFR) if the subject easement was granted to the City pursuant to a previous City requirement. The exception to this waiver authority would be for other than SFR use, and all applications in connection with a new subdivision, development project, or remodel of an existing development with major alterations, and additions or improvements resulting in an increase of 50% or more of the existing square footage. Only City Council would have the authority to waive the fee.

It is recommended that a discussion of this issue be included in the Council Agenda report to City Council on the upcoming review of existing City fees. Please contact Ernesto Munoz or me if you have any questions or if additional information is needed.

C: Allan Roeder, City Manager  
Ernesto Munoz, City Engineer  
Susan Santoro, Engineering Technician III